

Excerpt from Idaho Individual Income Tax Forms and Instructions - 2015 (p. 31)

LINE 22 RETIREMENT BENEFITS DEDUCTION FOR QUALIFIED RETIREMENT BENEFITS

You may be able to deduct some of the qualifying retirement benefits and annuities you receive.

The Idaho Retirement Benefit Deduction has a two-part qualification.

Part One - Age, Disability, and Marital/Filing Status

You must be at least age 65 or be classified as disabled and be at least age 62.

The following individuals are classified as disabled:

- An individual recognized as disabled by the Social Security Administration, the Railroad Retirement Board or the Office of Management and Budget
- A veteran of a U.S. war with a service-connected disability rating of 10% or more
- A veteran of a U.S. war with a nonservice-connected disability pension
- A person who has a physician-certified permanent disability with no expectation of improvement

If you're married, you can't claim this deduction if you file separately. If you're an unremarried widow or widower of a pensioner and receive qualifying survivor benefits, you may be eligible to claim the retirement benefit deduction if you meet the age/disability requirements.

Part Two - Qualified Retirement Benefits

You must meet the requirements in Part One AND your qualified retirement benefits must be one of the following:

- **Civil Service Employees:** Retirement annuities paid by the United States of America Civil Service Retirement System (CSRS), the Foreign Service Retirement and Disability System (FSRDS), or the offset programs of these two systems. To qualify for the deduction, the employee must have established eligibility before 1984. Retirement annuities paid to a retired federal employee under the Federal Employees Retirement System (FERS) don't qualify for the deduction. If you received a CSA-1099, you can tell if your benefits are paid under the CSRS or FERS by looking at the first digit of the account number shown on your CSA-1099. If the first digit of the account number is 7 or 8, the benefits are paid out of FERS and don't qualify. If the first digit is 0, 1, 2, 3, or 4, the benefits are paid out of CSRS.
- **Idaho Firefighters:** *(See referenced tax instructions for details)*
- **Police Officers of an Idaho city:** *(See referenced tax instructions for details)*
- **Service Members:** Retirement benefits paid by the United States to a retired member of the U.S. military.

The maximum amounts that may be deducted for 2015 are:

Married filing jointly:

- age 65 or older \$47,934
- age 62 or older and disabled \$47,934

Single:

- age 65 or older \$31,956
- age 62 or older and disabled \$31,956

These amounts must be reduced by retirement benefits received by you and your spouse under the Federal Social Security Act and the Federal Railroad Retirement Act.

Include with your return Form(s) 1099 for all qualified retirement benefits claimed.

References:

Idaho State Tax Form 39R Instructions: http://tax.idaho.gov/forms/EIN00046_10-30-2015.pdf

Idaho State Tax Form 39R: http://tax.idaho.gov/forms/EFO00088_07-23-2015.pdf